

Q3 FY05/13 Results Presentation



Note:

Any current plans, forecasts, strategy projections, expressions of confidence and other statements made by us in these materials are premised on the information that was available at the moment of the initial publication and on models that depend on uncertain factors that could impact future earnings.

As the actual results may substantially differ from the projections represented herein due to a variety of reasons, we urge you not to rely solely on these materials.

These materials are not a solicitation to invest. Please rely on your own judgment when making investment decisions.

Income Statement (Consolidated)



Income Statement (Million Yen)	FY05/11				FY05/12				FY05/13			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Act.	Q2 Act.	Q3 Act.	Q4 Est.
Sales	9,359	9,125	11,397	9,926	10,158	10,005	12,279	10,500	10,167	10,232	12,504	10,583
SG&A	3,120	3,265	3,401	3,429	3,460	3,593	3,806	3,826	3,665	3,991	4,083	4,223
Labor	1,471	1,486	1,526	1,567	1,636	1,647	1,716	1,739	1,737	1,807	1,853	1,905
Rent	828	824	991	887	915	928	982	1,088	956	984	1,144	1,029
Depreciation	113	125	119	136	121	131	139	150	131	144	159	185
Operating Profit	781	620	1,372	721	852	643	1,375	532	627	464	1,182	210
Recurring Profit	790	643	1,391	746	877	676	1,405	556	648	504	1,235	226
Net Income	267	299	733	380	404	347	734	68	323	264	628	90
Sales YoY	8.4%	10.3%	10.8%	5.0%	8.5%	9.6%	7.7%	5.8%	0.1%	2.3%	1.8%	0.8%
SG&A YoY	11.4%	13.4%	10.8%	10.0%	10.9%	10.1%	11.9%	11.6%	5.9%	11.1%	7.3%	10.4%
Labor YoY	17.8%	19.3%	15.0%	12.5%	11.3%	10.8%	12.5%	11.0%	6.1%	9.8%	8.0%	9.6%
Rent YoY	9.9%	12.6%	12.2%	8.6%	10.5%	12.6%	-0.9%	22.7%	4.5%	6.0%	4.4%	5.7%
Depreciation YoY	11.2%	15.7%	5.3%	13.3%	6.8%	4.8%	16.8%	10.3%	7.7%	10.5%	14.6%	23.4%
Operating Profit YoY	-2.2%	13.1%	14.0%	-4.5%	9.1%	3.7%	0.2%	-26.3%	-26.5%	-27.7%	-14.0%	-60.6%
Recurring Profit YoY	-2.8%	14.6%	14.7%	-2.9%	11.0%	5.1%	1.0%	-25.5%	-26.2%	-25.4%	-12.0%	-59.3%
Net Income YoY	-42.0%	0.0%	14.4%	-11.6%	50.9%	16.0%	0.2%	-82.2%	-20.0%	-24.0%	-14.5%	32.2%
Operating Profit Margin	8.3%	6.8%	12.0%	7.3%	8.4%	6.4%	11.2%	5.1%	6.2%	4.5%	9.5%	2.0%
Recurring Profit Margin	8.4%	7.0%	12.2%	7.5%	8.6%	6.8%	11.4%	5.3%	6.4%	4.9%	9.9%	2.1%
Net Profit Margin	2.9%	3.3%	6.4%	3.8%	4.0%	3.5%	6.0%	0.6%	3.2%	2.6%	5.0%	0.8%
Versus plan												
Sales	0.9%	1.9%	-0.3%	-0.9%	-0.4%	-0.5%	-0.5%	-5.2%	1.0%	2.9%	2.5%	
SG&A	-1.8%	-2.2%	1.3%	-2.4%	0.1%	0.0%	1.8%	0.6%	-2.9%	1.5%	0.5%	
Operating Profit	11.4%	47.3%	5.3%	14.4%	4.7%	1.7%	-5.5%	-35.3%	46.5%	74.4%	13.3%	
Recurring Profit	13.0%	51.3%	4.3%	18.4%	5.4%	5.3%	-4.0%	-33.2%	44.7%	77.5%	16.6%	
Net Income	15.6%	37.8%	11.1%	21.8%	3.7%	6.0%	-8.3%	-84.1%	48.2%	86.0%	13.4%	

Figures may differ from company materials due to differences in rounding methods.

Balance Sheet (Consolidated)



(単位:百万円)

Balance Sheet (Million Yen)	FY05/11				FY05/12				FY05/13			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Act.	Q2 Act.	Q3 Act.	Q4 Est.
Cash & Deposit	3,045	3,378	3,582	3,972	2,586	2,865	2,773	3,570	2,721	4,009	3,201	3,526
Inventories	16,182	17,044	16,726	16,950	17,827	19,175	19,007	18,669	19,439	21,271	21,303	20,552
Other	2,977	2,630	2,675	2,859	3,411	2,960	2,914	2,675	3,227	2,708	2,664	2,791
Current Assets	22,205	23,053	22,984	23,782	23,825	25,002	24,695	24,914	25,387	27,989	27,149	26,870
Fixed Assets	4,599	4,668	4,780	5,226	5,335	5,496	5,534	5,525	5,721	5,909	6,008	6,529
Total Assets	26,805	27,721	27,765	29,009	29,160	30,498	30,229	30,439	31,108	33,898	33,157	33,400
Current Liabilities	8,118	8,338	7,858	8,748	8,893	9,266	8,354	8,332	8,774	9,727	8,787	8,965
Fixed Liabilities	4,310	4,711	4,507	4,485	4,199	4,820	4,716	4,890	4,908	6,481	6,031	6,172
Total Liabilities	12,428	13,049	12,365	13,233	13,092	14,086	13,070	13,222	13,682	16,208	14,818	15,137
Net Assets	14,376	14,671	15,399	15,775	16,067	16,441	17,158	17,217	17,425	17,690	18,339	18,262

Source: Company data processed by SR Inc.

Figures may differ from company materials due to differences in rounding methods.

Cash Flow (Consolidated)



(単位:百万円)

Cash Flow Statement (Million Yen)	FY05/11				FY05/12				FY05/13			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1 Act.	Q2 Act.	Q3 Act.	Q4 Est.
Operating Cash Flow	-730	-347	-111	1,143	-1,053	-773	-876	558	-520	-616	-1,198	116
Change in Inventories	-644	-1,506	-1,191	-1,415	-881	-2,228	-2,056	-1,720	-770	-2,597	-2,615	-1,878
Other	-86	1,854	1,079	2,559	-171	1,454	1,179	2,277	250	1,980	1,417	1,994
Investment Cash Flow	-156	-428	-669	-1,218	-329	-618	-843	-1,131	-424	-713	-985	-1,711
Change in Tangible Fixed Assets	-93	-234	-374	-684	-188	-360	-505	-677	-297	-522	-744	-1,098
Change in Other Assets	-63	-194	-295	-534	-140	-257	-338	-453	-127	-191	-240	-613
Financing Cash Flow	-141	80	290	-24	0	288	522	171	96	1,762	1,795	1,134
Operating CF + Investment CF	-886	-776	-780	-75	-1,382	-1,392	-1,719	-572	-945	-1,330	-2,183	-1,595

Source: Company data processed by SR Inc.

Figures may differ from company materials due to differences in rounding methods.

Parent Company

Village Vanguard Corporation

What We Do

VILLAGE VANGUARD



■ Village Vanguard

Our concept is "Exciting Book Store". By bringing together various products such as books, variety goods, and CDs, our stores have a unique feel.



■ Diner

An old-school hamburger shop modeled after an American diner.



■ new style

For those who want to be particular about their style, both at work and at play—a new style for you.



■ QK

"Exciting book store for kids" Kids can have their own entertainment. We offer excitement beyond just toys.

■ Other Formats



Examples of Our Merchandising Approach (1)

We offer merchandise by creating a unique retail space aimed at entertaining the customer

For example, merchandise themed around "World Travel"



Listen to music while looking at world scenery
BOOKS+MUSIC

Books to read before traveling

World confectionery and beverages
• HARIBO
• Banana chips

Too hard?

Dream big!

Have to save up for your trip!

- Book on "How to save 100,000 yen"
- 100,000 yen money box
- 1 million yen money box

Merchandise themed around "Harajuku Girls"

Once upon a time, there was a very long zipper...

Neon-colored accessories

We love everything fluffy★
• Cat earmuffs
• Monstaz
• Unique make-up pouch

Fashion reference magazines that will set you apart from the crowd

- NADIA
- FASHION THEORY
- NYLON

Examples of Our Merchandising Approach (2)



VILLAGE VANGUARD



Examples of Our Merchandising Approach (3)



VILLAGE VANGUARD



How Do We Sell?

We delegate both purchasing and sales decisions to the store level

Marketing

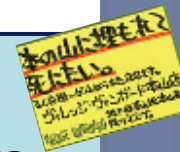
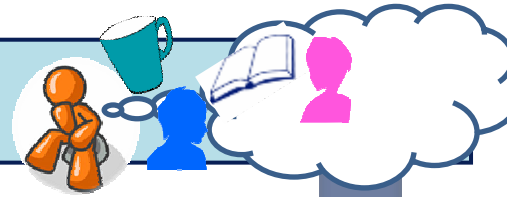
- Pursue customer needs in each store

Purchasing

- Reflect customer needs directly
- Unique challenge to discover new needs

Proposition

- POP, zone creations, and displays
- Provide an ingenious space from every store level idea



Store Manager has absolute discretion

Head Office

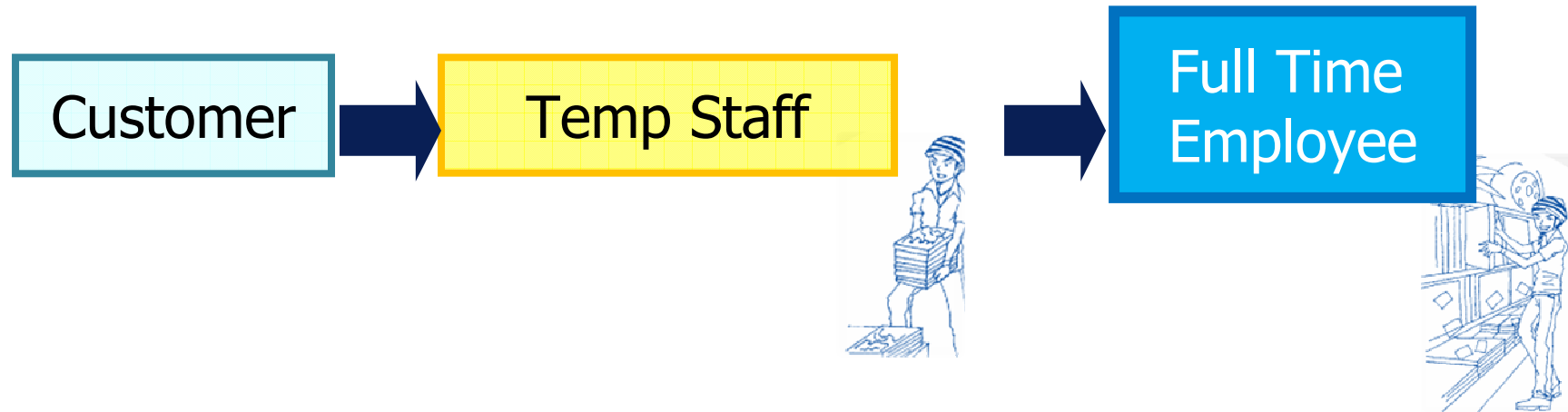
Authority



Each Store

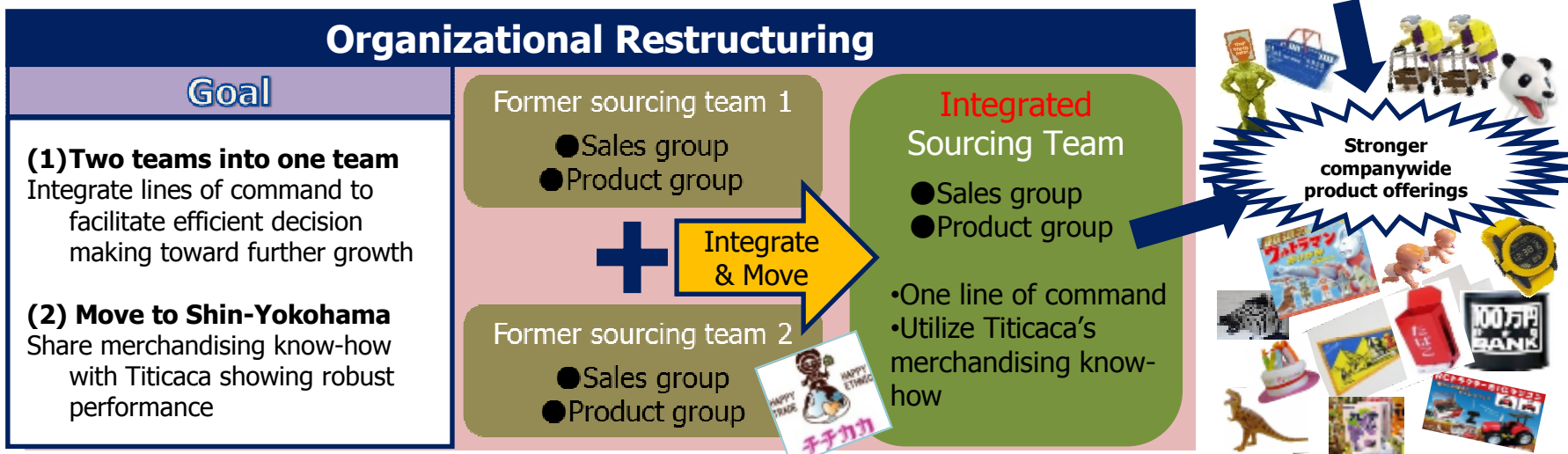
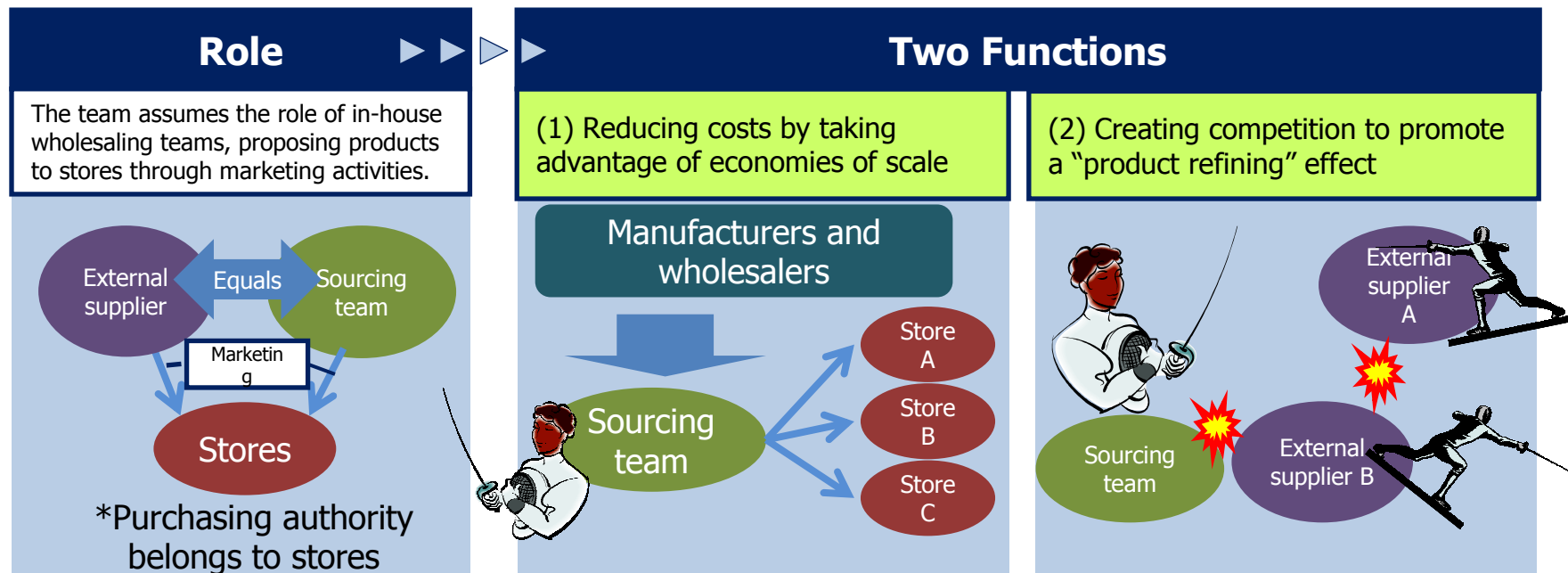
Create a retail space that answers the unique needs of each store's customers, in real time

Store level ideas driving impulse buying and customer loyalty



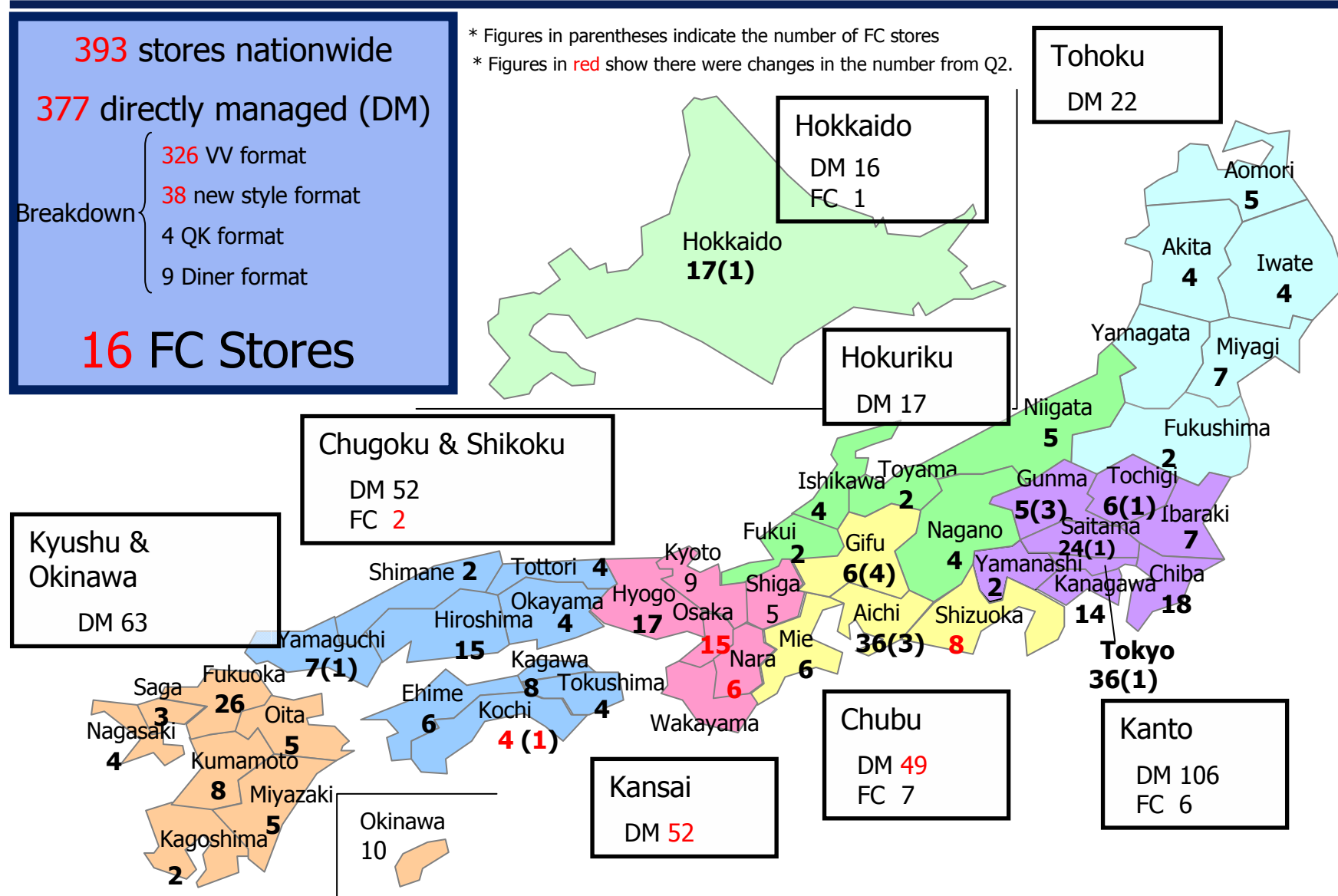
- Hiring people who really understand the company
- Even temporary staff are allowed to make purchasing decisions
- Long-term practical on-the-job training





Store Network (Parent)

Store data as of end-February 2013



VV – Results (Parent)

Income Statement (Parent)



Parent Income Statement		FY05/11				FY05/12				FY05/13			
(Million Yen)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 Est.	
Sales	8,783	8,402	10,776	9,315	9,306	8,863	11,254	9,509	8,949	8,541	10,983	9,096	
Gross Profit	3,500	3,403	4,354	3,739	3,738	3,432	4,501	3,690	3,464	3,313	4,271	3,502	
SG&A	2,762	2,869	3,015	2,998	2,984	3,032	3,248	3,214	2,988	3,183	3,253	3,376	
Labor	1,306	1,318	1,354	1,378	1,420	1,412	1,478	1,484	1,444	1,493	1,508	1,543	
Rent	746	732	906	798	808	793	975	843	802	783	954	834	
Depreciation	97	107	99	114	96	101	104	111	92	99	104	124	
Operating Profit	738	534	1,339	740	754	399	1,254	476	476	129	1,018	127	
Recurring Profit	759	564	1,368	771	788	441	1,299	509	506	190	1,086	154	
Net Income	266	273	731	431	364	229	679	-35	251	88	548	48	
Sales YoY	6.2%	7.3%	9.0%	3.4%	6.0%	5.5%	4.4%	2.1%	-3.8%	-3.6%	-2.4%	-4.3%	
Gross Profit YoY	4.4%	7.0%	-3.9%	6.5%	6.8%	-5.6%	5.1%	-2.6%	-7.3%	-3.5%	-5.1%	-5.1%	
Operating Profit YoY	-5.9%	2.9%	9.9%	-3.6%	2.2%	-25.3%	-6.3%	-35.7%	-37.0%	-67.6%	-18.8%	-73.4%	
Recurring Profit YoY	-5.9%	4.3%	10.8%	-2.5%	3.8%	-21.8%	-5.1%	-34.0%	-35.7%	-57.0%	-16.4%	-69.7%	
Net Income YoY	-41.5%	-1.8%	10.1%	0.5%	36.7%	-16.1%	-7.1%	-108.1%	-31.2%	-61.3%	-19.2%	-238.6%	
Gross Profit Margin	39.8%	40.5%	40.4%	40.1%	40.2%	38.7%	40.0%	38.8%	38.7%	38.8%	38.9%	38.5%	
Operating Profit Margin	8.4%	6.4%	12.4%	7.9%	8.1%	4.5%	11.1%	5.0%	5.3%	1.5%	9.3%	1.4%	
Recurring Profit Margin	8.6%	6.7%	12.7%	8.3%	8.5%	5.0%	11.5%	5.4%	5.7%	2.2%	9.9%	1.7%	
Net Profit Margin	3.0%	3.2%	6.8%	4.6%	3.9%	2.6%	6.0%	-0.4%	2.8%	1.0%	5.0%	0.5%	
Versus Plan													
Sales	0.6%	1.3%	-0.4%	-2.0%	-0.5%	-0.6%	-0.6%	-2.0%	1.4%	3.9%	2.6%		
Gross Profit	0.1%	2.6%	2.6%	-1.7%	0.7%	-1.2%	-1.3%	-3.1%	2.0%	5.6%	3.5%		
SG&A	-1.6%	-2.8%	0.9%	-4.5%	0.2%	0.1%	0.9%	0.7%	-2.9%	1.5%	-0.5%		
Operating Profit	7.3%	45.1%	6.9%	12.0%	2.5%	-7.4%	-8.9%	-16.9%	48.8%	-	18.8%		
Recurring Profit	8.4%	47.3%	6.0%	14.7%	3.5%	-4.9%	-6.7%	-14.6%	43.1%	539.7%	22.5%		
Net Income	8.1%	35.1%	11.3%	24.9%	1.3%	-6.4%	-10.3%	-33.3%	44.8%	-	21.3%		

Source: Company data processed by SR Inc.

Figures may differ from company materials due to differences in rounding methods.

The company made upward revisions to estimates at the end of Q2 FY05/11 and at the end of Q2 05/13. 2H FY05/11 2011 and 2H FY05/13 show comparisons with the revised estimates.

Sales by Category



Sales by Category (Million Yen)	Q1	FY05/11 Q2	FY05/11 Q3	Q4	Q1	FY05/12 Q2	FY05/12 Q3	Q4	Q1	FY05/13 Q2	FY05/13 Q3	Q4
SPICE (Parent)	6,780	6,461	8,609	7,177	7,361	6,999	9,216	7,684	7,217	6,958	9,205	
(Internal Sourcing Team)	1,752	1,770	2,713	2,088	2,217	2,214	3,116	2,310	2,066	2,056	2,846	
(Other)	5,027	4,691	5,896	5,090	5,143	4,786	6,100	5,374	5,151	4,903	6,359	
Books (Parent)	1,023	1,039	1,178	1,156	1,043	993	1,114	1,040	977	913	1,051	
NM (Parent)	790	719	804	792	734	712	772	594	577	489	586	
Other (Parent)	188	184	184	190	167	158	152	192	178	181	140	
Sales	8,783	8,402	10,776	9,315	9,305	8,864	11,254	9,509	8,949	8,541	10,983	
Composition												
SPICE (Parent)	77.2%	76.9%	79.9%	77.0%	79.1%	79.0%	81.9%	80.8%	80.7%	81.5%	81.8%	
(Internal Sourcing Team)	20.0%	20.5%	22.3%	22.4%	23.8%	25.0%	27.7%	24.3%	23.1%	24.1%	25.3%	
(Other)	57.2%	56.6%	55.8%	54.6%	55.3%	54.0%	54.2%	56.5%	57.6%	57.4%	56.5%	
Books (Parent)	11.6%	12.4%	10.9%	12.4%	11.2%	11.2%	9.9%	10.9%	10.9%	10.7%	9.3%	
NM (Parent)	9.0%	8.6%	7.5%	8.5%	7.9%	8.0%	6.9%	6.2%	6.4%	5.7%	5.2%	
Other (Parent)	2.1%	2.2%	1.7%	2.0%	1.8%	1.8%	1.4%	2.0%	2.0%	2.1%	1.2%	

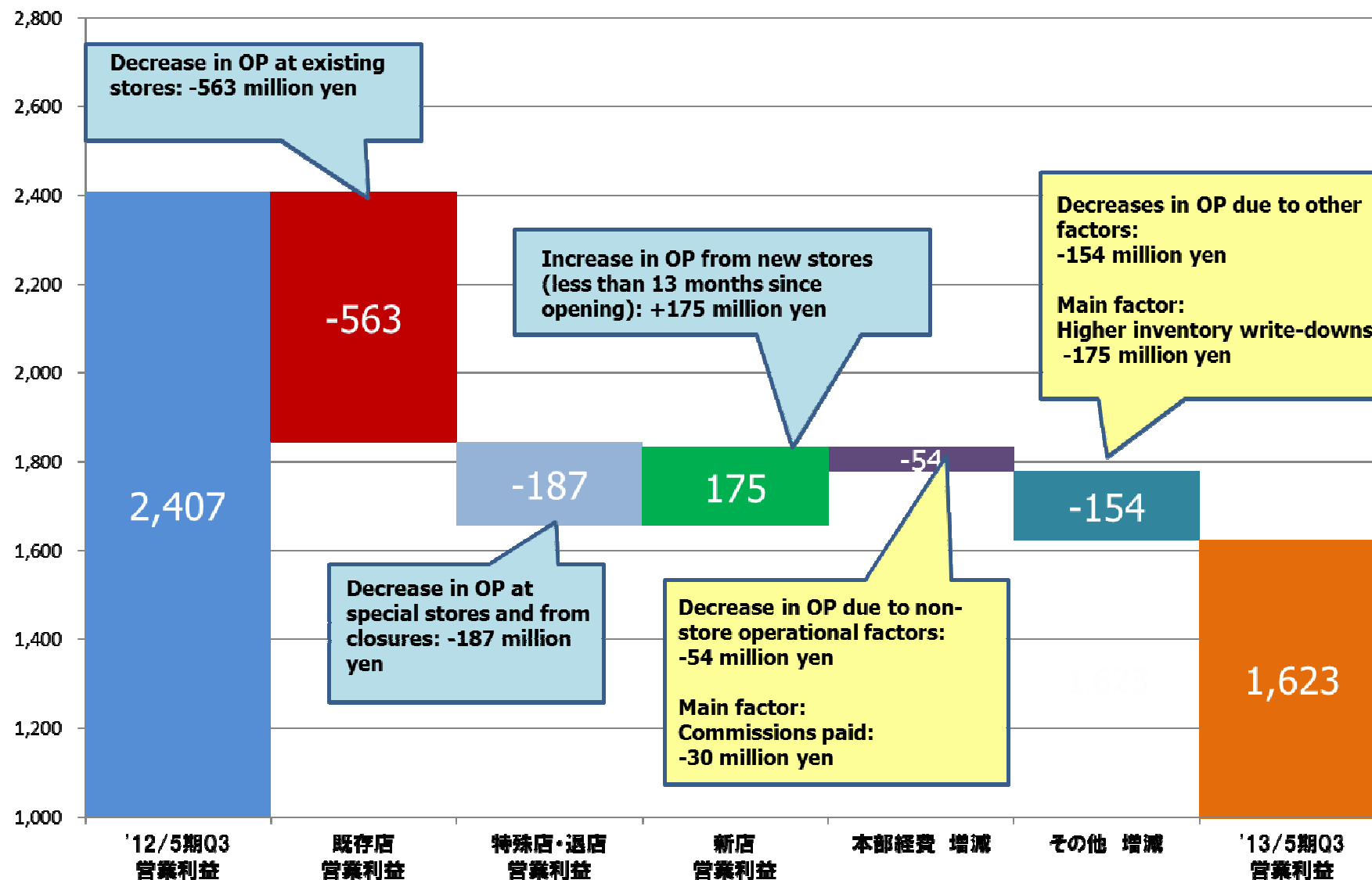
Source: Company Data Processed by SR Inc.

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OP Analysis

VILLAGE VANGUARD

(Million Yen)



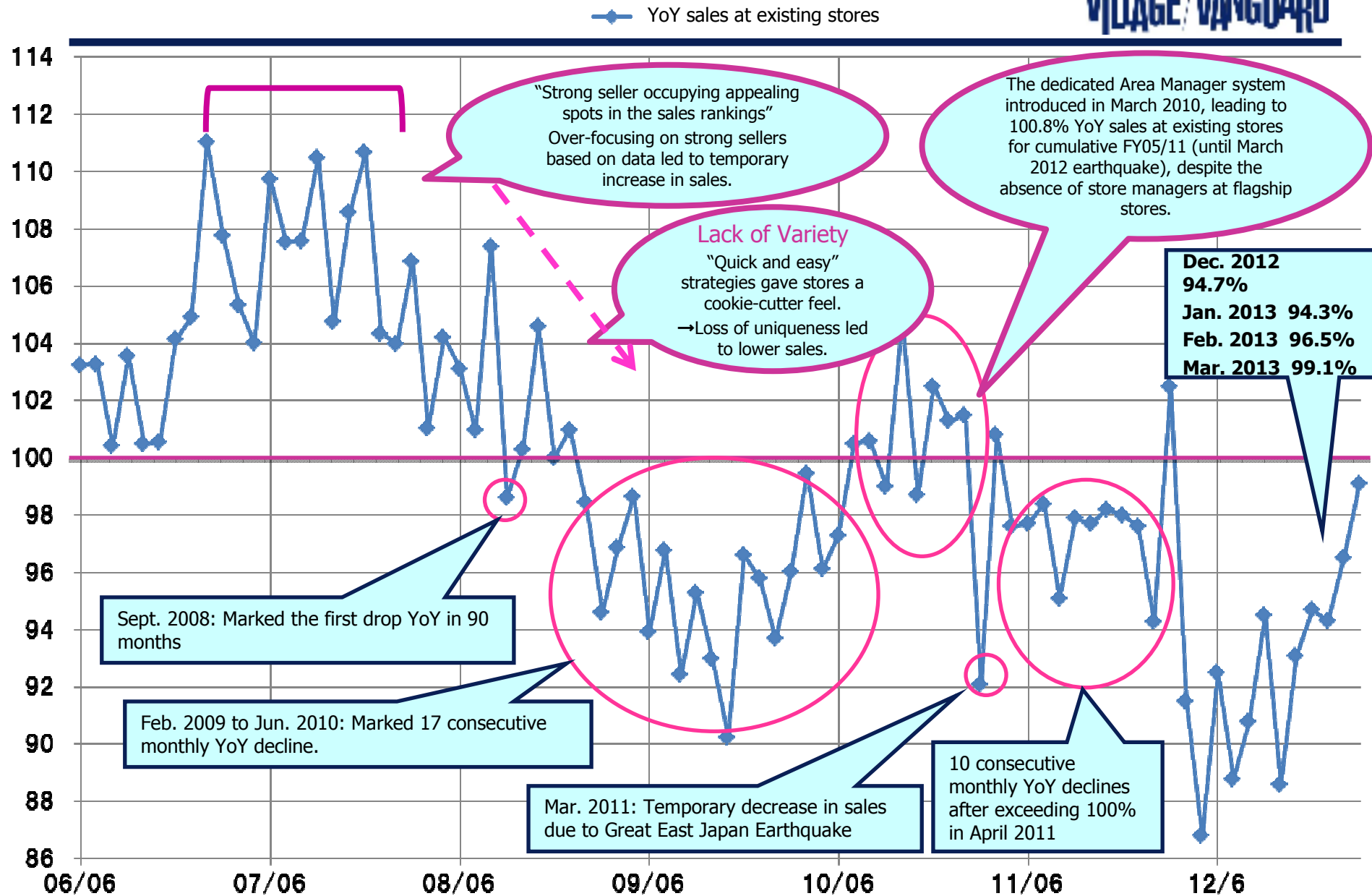
Store Openings



	FY05/10 Actual	FY05/11 Actual	FY05/12 Actual	FY05/13 Plan and Actual									
	FY	FY	FY	Q1		Q2		Q3		Q4		FY	
				Init. Plan	Act.	Init. Plan	Act.	Init. Plan	Act.	Init. Plan	Est.	Init. Plan	Est.
Openings	34	46	38	7	8	8	4	4	1	6	5	25	18
Village Vanguard	30	39	30	6	6	5	4	3	0	6	2	20	12
new style	1	7	7	1	2	3	0	1	0	0	3	5	5
QK	0	0	1	0	0	0	0	0	0	0	0	0	0
Diner	1	0	0	0	0	0	0	0	0	0	0	0	0
FC	2	0	0	0	0	0	0	0	1	0	0	0	1
Closures	12	15	13	5	3	2	4	4	3	2	3	13	13
Village Vanguard	6	8	4	3	1	2	2	4	3	2	3	11	9
new style	0	0	2	1	1	0	0	0	0	0	0	1	1
QK	0	4	2	0	0	0	0	0	0	0	0	0	0
Diner	0	0	1	0	0	0	0	0	0	0	0	0	0
FC	6	3	4	1	1	0	2	0	0	0	0	1	3
Net Increase	22	31	25	2	5	6	0	0	-2	4	2	12	5

Year on Year Retail Sales at Existing Stores

VILLAGE VANGUARD



Recovering Sales

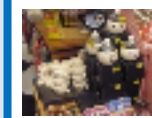
Village Vanguard's Vision

Unearth Customer Needs
Disseminate Information

Village Vanguard Now

Lack of change in layout and lineup

- Layout looks the same as few years back
- Fewer new, unique merchandise

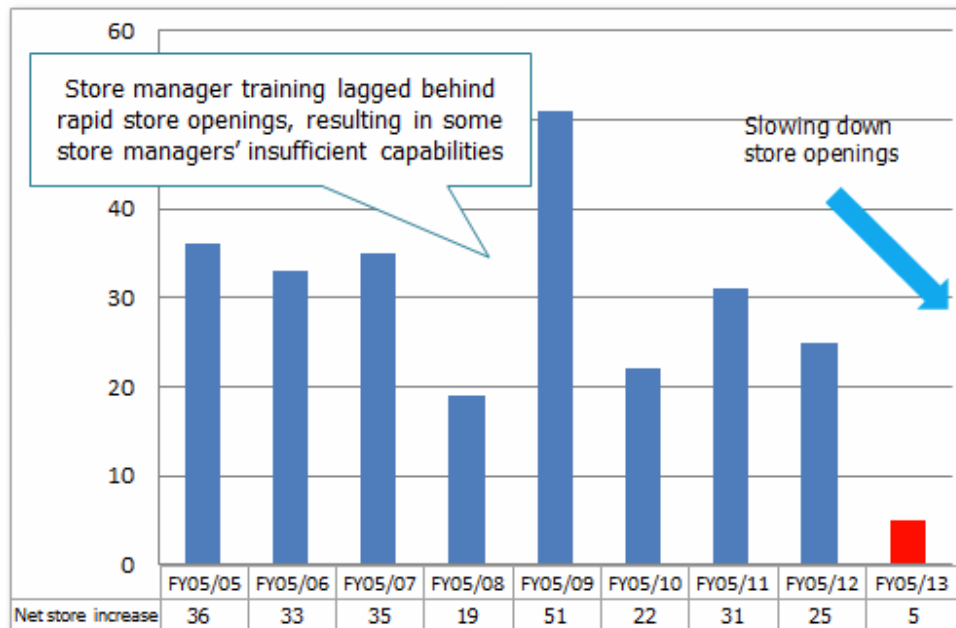


In 2005



In 2012

Initiative 1: Slow down store openings and improve store managers' skill sets



Changes in human resource development system

Existing

- Long-term on-the-job training in stores

New measures

- Intensive training for store manager candidates

- Consistent promotion standard
- Eliminate large skills differential
- Increase training speed

Wide variation to date

- Recruit new graduates

- Transform the atmosphere
- Potential for new ideas to flourish

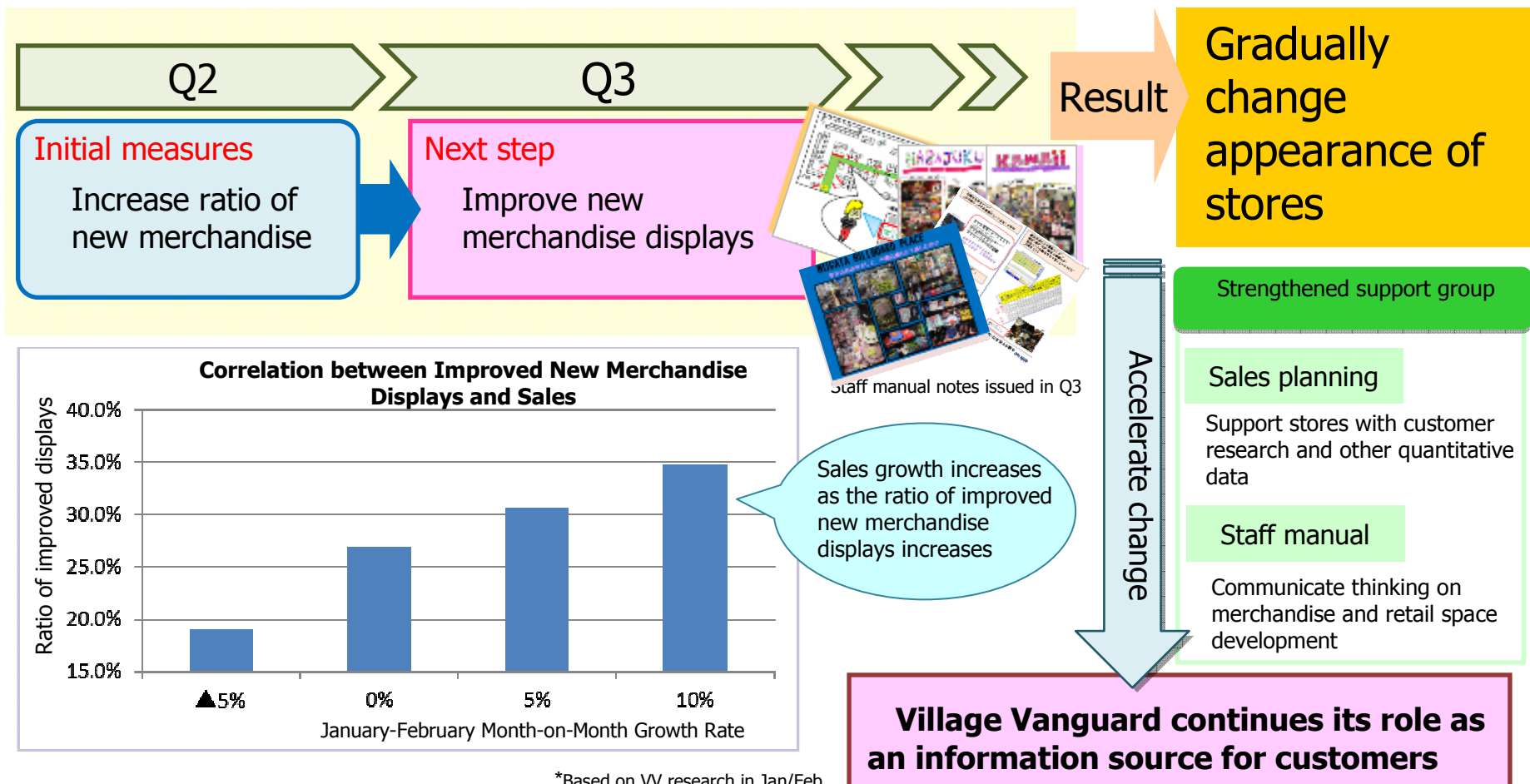
Break out of set ideas

Initiative 2: Implement sales policies aimed at transforming retail space

⇒ See next page...

Recovering Sales

In Q3, we improved displays to gain maximum advantage from the attractiveness of new merchandise



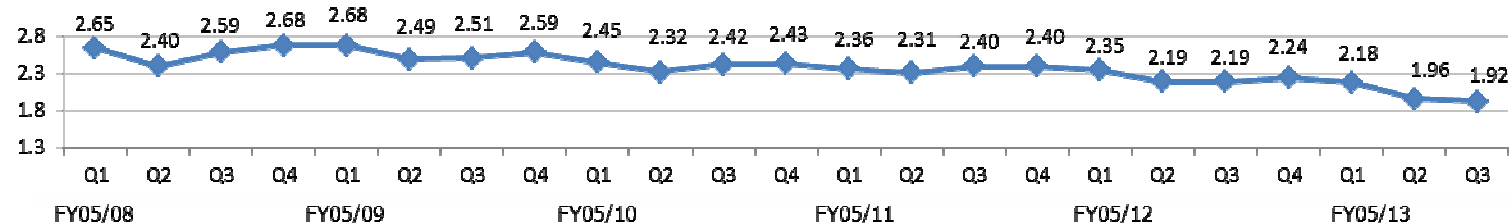
Inventory Control

Existing Store Inventory Trends

(Million Yen)

	FY05/11 Q3	FY05/11 Q4	FY05/12 Q1	FY05/12 Q2	FY05/12 Q3	FY05/12 Q4	FY05/13 Q1	FY05/13 Q2	FY05/13 Q3
Cash Flow from Operations	-214	1,042	-950	-1,061	-1,132	102	-159	-685	-1,060
■ Net Income before Tax	2,371	3,065	672	1,098	2,390	2,696	522	707	1,764
■ Net Change in Inventories	-1,112	-1,206	-844	-2,139	-1,969	-1,465	-594	-2,206	-2,163
Existing Stores	301	215	603	1,454	1,326	342	564	2,168	2,272
New Stores	1,296	1,725	393	817	1,024	1,356	172	531	525
Other	-486	-734	-152	-132	-382	-234	-142	-493	-634
■ Other	-1,473	-816	-778	-20	-1,553	-1,129	-86	813	-661
Cash Flow from Investment	-558	-1,005	-211	-379	-531	-776	-140	-311	-356
Cash Flow from Financing	-225	-542	38	-55	336	-491	306	2,071	1,906
Free Cash Flow	-772	37	-1,161	-1,440	-1,663	-674	-299	-996	-1,417
Number of Existing Stores (stores)	283	292	291	302	304	320	325	333	330
Inventory Change per Existing Store during the Term	1.0	0.7	2.0	4.8	4.3	1.0	1.7	6.5	6.8

Inventory Turnover



* Cash flows are unaudited and are calculated on a simplified basis.

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Company Profile: Titicaca

Company Overview (Titicaca)



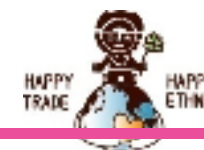
- Company name: Titicaca Co.
- Shareholder composition: Village Vanguard Co., Ltd. (100%)
- Business: Import and sales of ethnic fashions and daily goods
- Headquarters: 2-2-3 Shin-Yokohama, Kohoku-ku, Yokohama, Kanagawa Prefecture
- Representative: Hitoshi Kinami, Managing Director
- Established: July 2005 (founded: May 1977)
- Capital: 99,000,000 yen (as of end-March 2012)
- Net assets: 504,000,000 yen (same as above)
- Total assets: 3,969,000,000 yen (same as above)
- Sales: 3,968,000,000 yen (same as above)
- Recurring profit: 585,000,000 yen (same as above)
- Net profit: 301,000,000 yen (same as above)
- No. of stores: 97 (95 directly managed stores and 2 franchises) (as of end-February 2013)
- No. of employees: 167 full-time employees and 363 part-time workers (same as above)



Hitoshi Kinami

Titicaca Store Network

Store data as of end-February 2013



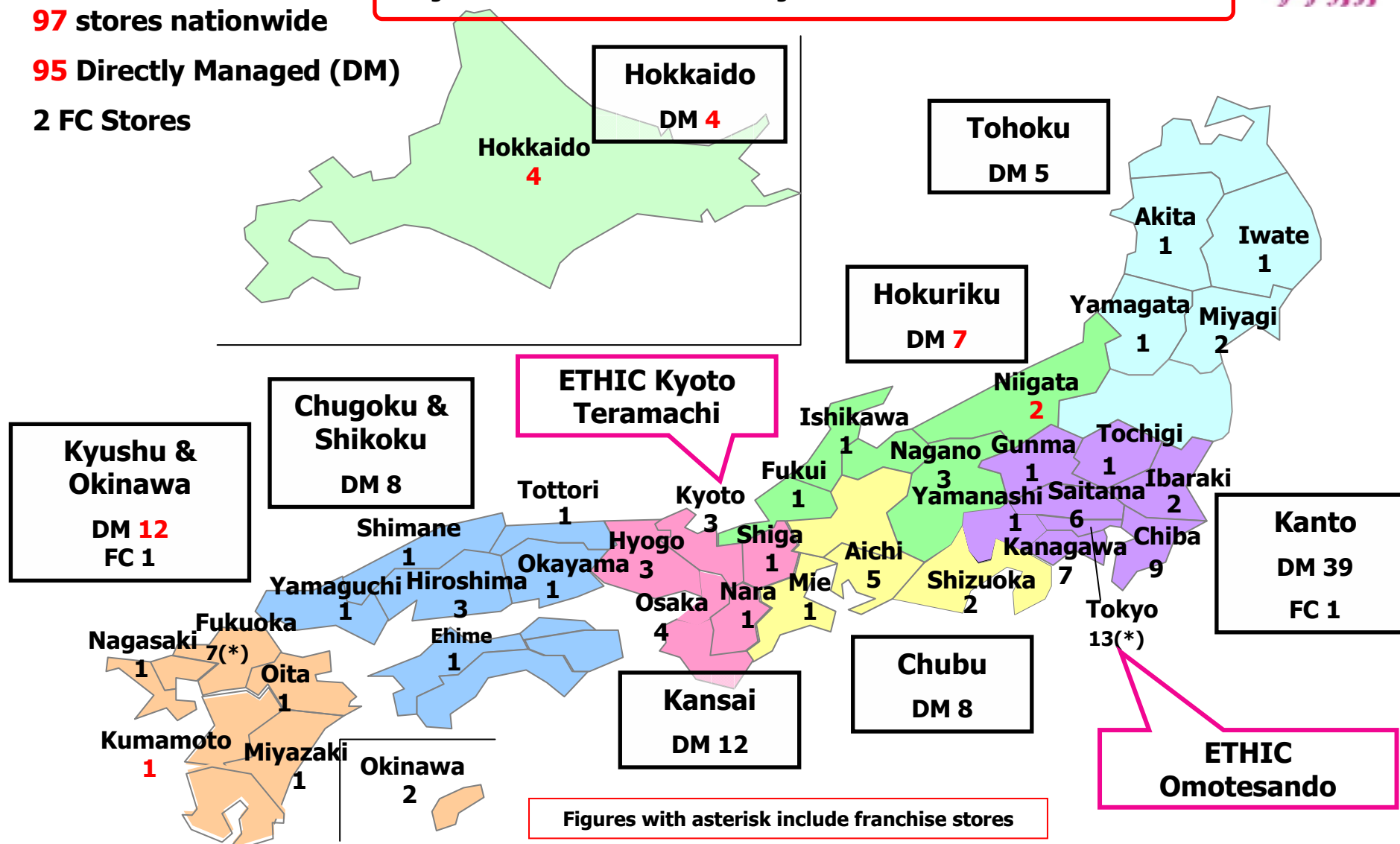
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Figures in **red** show there were changes in the number from end-November 2012

97 stores nationwide

95 Directly Managed (DM)

2 FC Stores



Outside of Titicaca Stores



New stores opened during Q3



**AEON Mall Sapporo Hiraoka
Opened Dec 20**



**Yume Town Hamasen
Opened Feb 1**



**AEON Mall Shibata
Opened Feb 15**



Inside Titicaca Stores





Titicaca ETHIC opened in Omotesando and Kyoto Teramachi to spread Titicaca store concept

Shop Concept

Become a bridge producers and consumers, and contribute to society by promoting ethical consumption

Spread Info

- Good location as info hub
- Equipped with press room (Omotesando)
- Free space (for sales, exhibition, etc.) available to third parties(*)

* For ethical brands and fair-trade organizations

Re-establish Titicaca brand based on the theme of "Ethics"

Sustain Titicaca's competitive edge to grow further



Titicaca merchandise certified by Fairtrade Labelling Organizations International (FLO)

Fair trade: A trade system based on the principle of purchasing raw materials and products at a fair price. This enables producers and workers to improve their livelihoods and become self-reliant.

The 30-year relationship between Titicaca and producers was highly appraised, leading to third-party certification by FLO.

Titicaca is the first lifestyle-themed store in Japan to receive certification.



Launched sales of six tote bags made from fair trade-certified cotton.

We plan to expand our fair trade merchandise lineup and further broaden the "Titicaca cycle."





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Titicaca - Results



Income Statement

Sales result versus forecast: 99.8%

Existing stores 100.0% (+1 million yen)
New stores 98.7% (-15 million yen)
Wholesale/franchise 105.9% (+5 million yen)

Recurring profit versus forecast: 96.9%

Titicaca Income Statement (Million Yen)	FY03/12				FY03/12				FY03/13			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4 Est.
Sales	579	720	630	626	826	1,148	977	1,017	1,207	1,677	1,412	1,439
Gross Profit	390	473	412	397	554	797	654	672	807	1,135	937	896
Operating Profit	66	114	53	3	108	275	128	93	166	369	165	84
Recurring Profit	60	110	47	2	106	271	118	90	159	352	154	76
Net Income	26	54	25	-16	56	149	77	19	91	206	85	45
Sales YoY	60.2%	51.9%	51.4%	34.0%	42.7%	59.4%	55.1%	62.5%	46.0%	46.1%	44.4%	41.6%
Gross Profit YoY	58.1%	50.6%	51.5%	36.4%	42.0%	68.5%	58.7%	69.3%	45.6%	42.3%	43.4%	33.4%
Operating Profit YoY	180.3%	107.3%	-	-	63.3%	141.2%	141.5%	3000.0%	52.1%	34.2%	29.4%	-10.5%
Recurring Profit YoY	202.8%	120.0%	-	-	76.7%	146.4%	151.1%	4400.0%	49.1%	29.8%	31.3%	-15.4%
Net Income YoY	41.4%	12.5%	-	-	109.7%	175.9%	208.0%	-	60.9%	38.6%	24.8%	60.0%
Gross Profit Margin	67.4%	65.7%	65.4%	63.4%	67.1%	69.4%	66.9%	66.1%	66.8%	67.7%	66.4%	62.3%
Operating Profit Margin	11.4%	15.8%	8.4%	0.5%	13.1%	24.0%	13.1%	9.1%	13.7%	22.0%	11.7%	5.8%
Recurring Profit Margin	10.4%	15.3%	7.5%	0.3%	12.8%	23.6%	12.1%	8.8%	13.2%	21.0%	10.9%	5.3%
Net Profit Margin	4.5%	7.5%	4.0%	-2.6%	6.8%	13.0%	7.9%	1.9%	7.5%	12.3%	6.0%	3.2%
Sales vs Plan	9.2%	12.0%	-2.3%	18.3%	0.0%	5.2%	3.6%	7.4%	-0.1%	-1.1%	-0.6%	
Gross Profit vs Plan	8.3%	13.7%	-4.5%	26.4%	2.2%	19.5%	8.5%	17.7%	0.9%	9.3%	-0.5%	
Operating Profit vs Plan	88.6%	62.9%	-33.8%	-133.3%	10.6%	96.4%	73.0%	675.0%	18.4%	35.4%	-10.1%	
Recurring Profit vs Plan	130.8%	74.6%	-40.5%	-111.8%	10.8%	103.8%	78.8%	1700.0%	22.6%	33.5%	-11.9%	
Net Income vs Plan	188.9%	54.3%	-30.6%	77.8%	4.9%	101.4%	108.1%	533.3%	14.6%	27.4%	-18.8%	

Figures may differ from company materials due to differences in rounding methods.

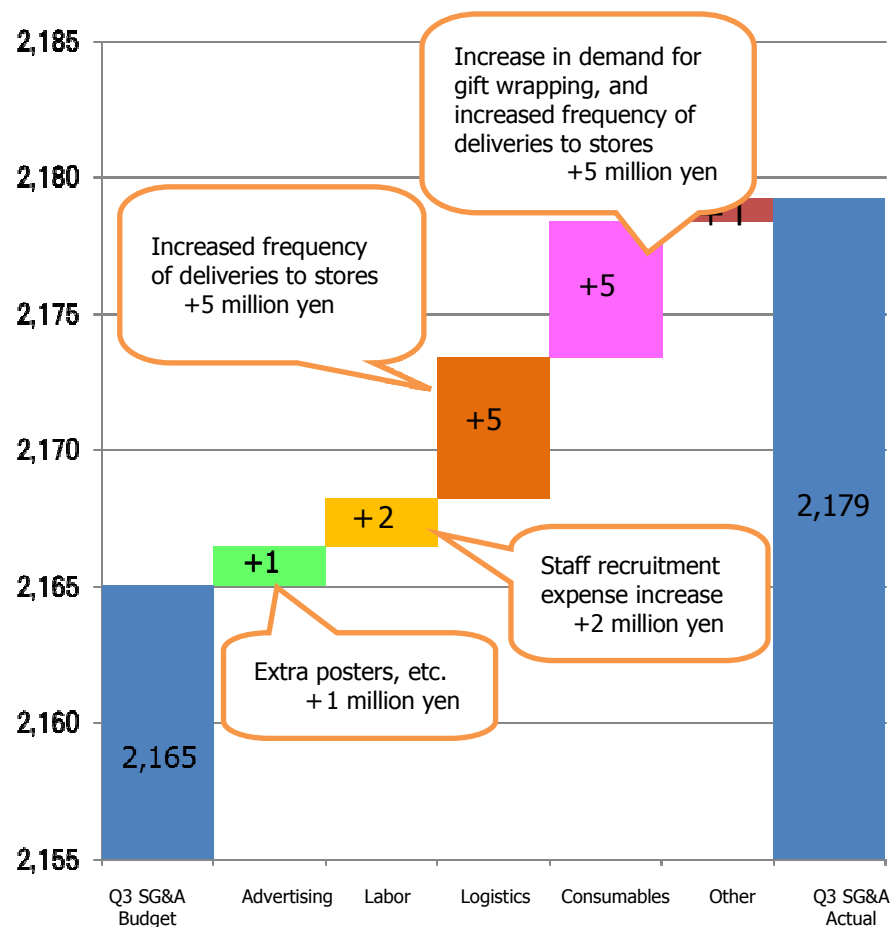
Titicaca - Results



SG&A vs. Budget

+0.7% vs. budget (-14 million yen)

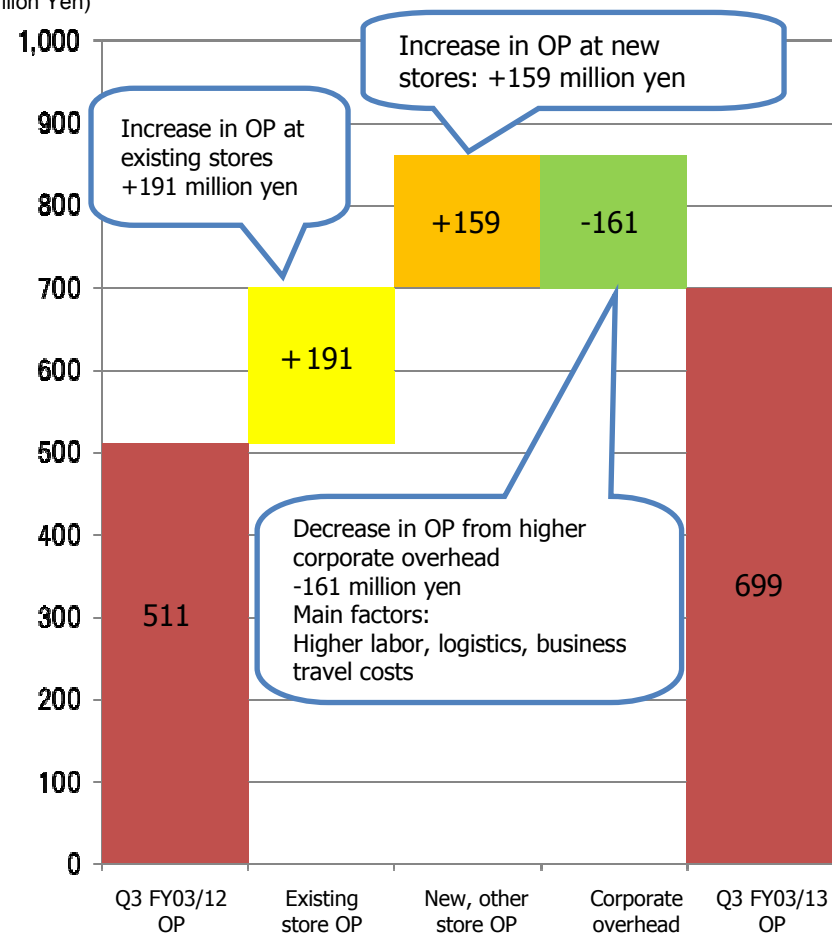
(Million Yen)



OP YoY

- OPM at **16.3%** vs. 17.3% in Q3 FY03/12
- Ratio of corporate overhead to sales at **11.6%** vs. 11.5% in Q3 FY03/12

(Million Yen)



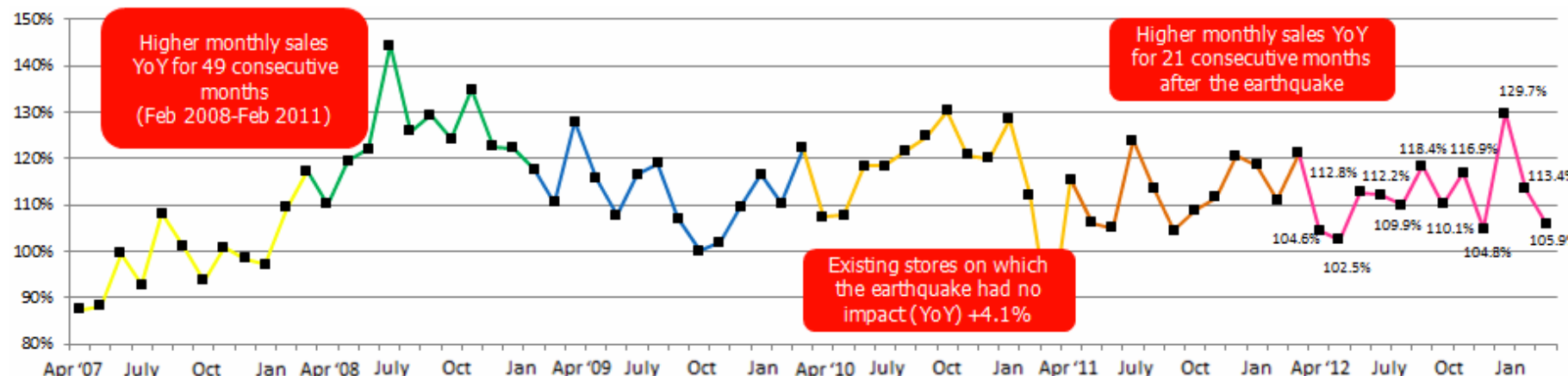
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Titicaca - Results



Comparable Store Sales

+10.1% vs. Q3 FY03/12 (+48.6% for all store sales)



* Different color for each financial year



Store Openings

	FY03/11 Results	FY03/12 Results	FY03/13					FY03/13				
			Plan					Results		Estimates		
			Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Store Openings	15	21	6	4	9	5	24	6	5	6	7	24
Store Closures	4	2	1	-	-	-	1	-	1	-	1	2

Hiring Strategy

Allocate personnel costs in FY03/13 in line with Titicaca growth



Stores

-2% Vs. plan

- Despite active hiring at both new and existing stores, hiring fell behind plan.
- Increase sales by raising staff counts particularly at stores showing robust performance.

HQ Divisions

+5% Vs. plan

- Active hiring meant we achieved target for Q3 FY05/13.
- Accelerate hiring centered on the product group.

Training

In line with plan

- Active internal and external training sessions to raise staff skill sets were in line with the plan.
- Promote staff training further in line with accelerated hiring and company growth.



Strengthen hiring and staff training toward further growth

Village Vanguard Webbed

Company Overview (Village Vanguard Webbed)



- Company name: Village Vanguard Webbed Corporation
- Shareholder: Village Vanguard Co., Ltd. (100%)
- Business: Online retailer, real estate media site operation
- Headquarters: 2-2-3 Shinyokohama, Kohoku-ku, Yokohama, Kanagawa
(Relocated from Nagoya on April 1, 2013)
- Representative: Takakazu Hirano, Managing Director
- Established: March 2011
- Began operations: April 2011
- Capital: 30 million yen
- Full-time staff: 4 (as of end-February 2013)

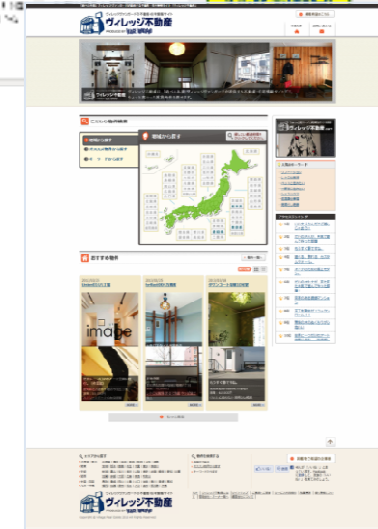


Takakazu Hirano

↓ Online shopping site



Magazine site ↑



Real estate site→

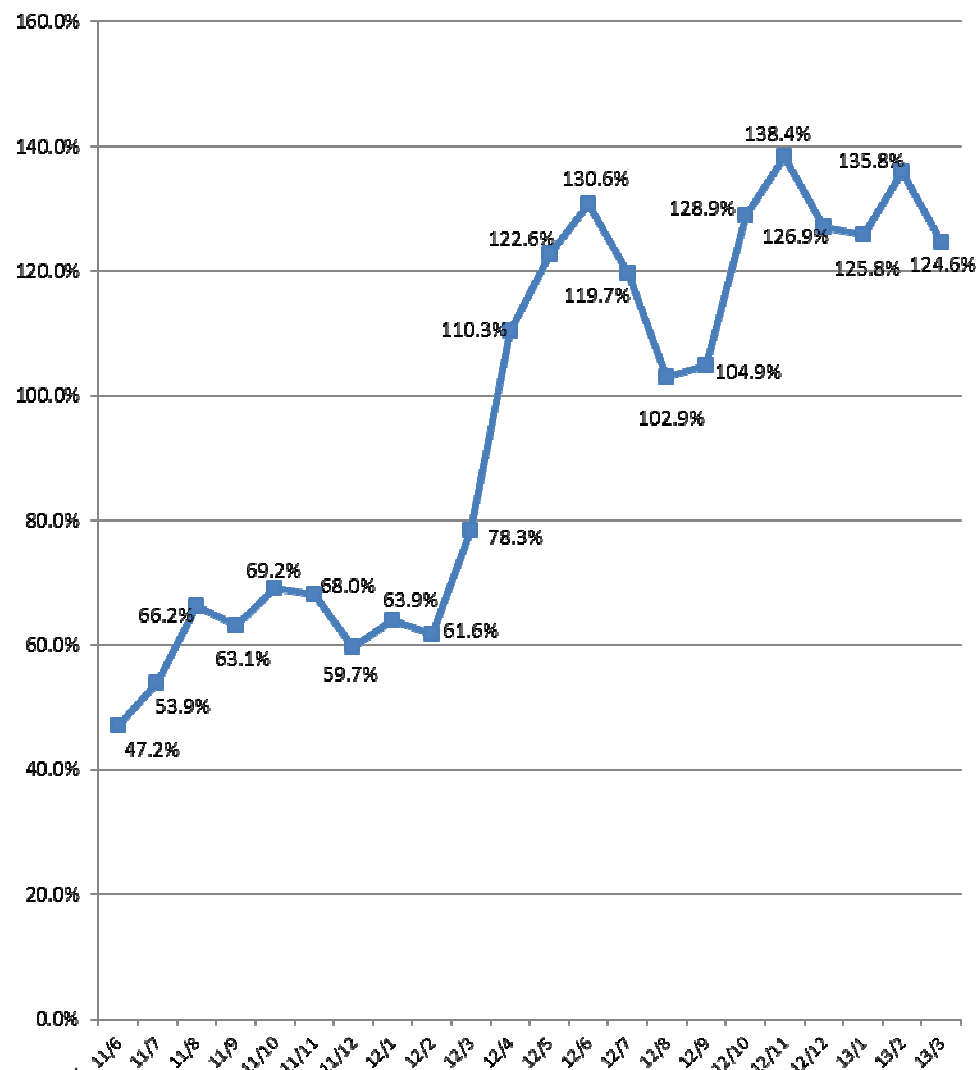
Village Vanguard Webbed - Results



(Thousand Yen)

PL	FY05/13 (Results and Plan)			
	Q1 (Results)	Q2 (Results)	Q3 (Results)	Q4 (Plan)
Sales	24,042	52,954	101,492	133,976
Vs. Plan (%) (Difference)	94.8% (-1,332)	93.5% (-3,657)	101.0% (+971)	-
GP	5,556	13,609	24,022	32,400
Vs. Plan (%) (Difference)	100.0% (+1)	101.1% (+156)	99.9% (-21)	-
SG&A	5,948	11,033	16,087	24,912
Vs. Plan (%) (Difference)	87.0% (+887)	79.8% (-2,781)	89.3% (-1,928)	-
OP	-392	2,576	7,934	7,488
Vs. Plan (%) (Difference)	(+887)	(+2,936)	131.6% (+1,907)	-
RP	-820	1,712	6,668	5,736
Vs. Plan (%) (Difference)	(+958)	(+3,015)	141.1% (+1,943)	-
Net Income	-866	1,620	6,576	5,553
Vs. Plan (%) (Difference)	(+958)	(+3,015)	143.4% (+1,989)	-

■ Sales YoY (Order Value Basis)



↑ Figures in parentheses indicate difference vs. plan

2H Vs. Plan amounts are in comparison with the revised plan.

Overseas Subsidiaries

Overseas Businesses



Enter overseas markets and increase store counts overseas

● September 2009

Established Village Vanguard (Hong Kong) Limited in Hong Kong (5 stores as of February 2013)

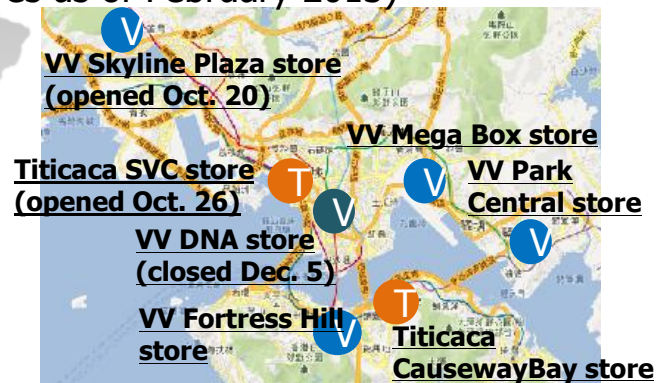
➔ Use lessons learned in HK for further expansion overseas

Apr 2012 Established TITICACA HONG KONG LIMITED
 (2 stores as of As of end-February 2013)

May 2012 Established Village Vanguard (Taiwan) Limited
 (1 store as of As of end-February 2013)



Taiwan store



Hong Kong stores

Company Overview

- Company Name: Village Vanguard (Hong Kong) Limited
- Shareholders: Village Vanguard Co., Ltd. (80%)
Era-Bee Limited (20%) (Development of Japanese language education and culture-related businesses)
- Business: Retail sales exhibiting a fusion of books, SPICE (variety goods) and new media (CDs, DVDs, others) based on the idea of a "Exciting Bookstore"
- Headquarters: Room 1901, 19/F, Entrepot Centre, 117 How Ming Street,
Kwun Tong, Kowloon
- Representative: Ho Wing Pong Raymond
- Established: September 2009
- Capital: HK\$15,000,000 (approx. 150,000,000 yen)
- No. of stores: 5 (directly managed) (as of end-February 2013)
- No. of employees: 23 full-time employees
15 part-time workers



Ho Wing Pong
Raymond



Outside of stores

Village Vanguard (Hong Kong) Limited



PL

Inside Store

(Thousand Yen)	FY05/13 Results		
	Q1	Q2	Q3
Sales	27,403	69,481	127,248
Vs. Plan	-4,097	+9,693	+20,460
YoY Change	-2,233	+17,089	+42,996
GP	11,075	4,989	25,526
Vs. Plan	-1,524	-18,925	+5,613
YoY Change	-2,045	-14,899	-7,923
OP	-4,575	-35,049	-45,351
Vs. Plan	+343	-24,527	-6,782
YoY Change	+814	-12,739	-17,540
RP	-3,368	-32,687	-41,184
Vs. Plan	+545	-23,721	-5,799
YoY Change	+1,761	-10,365	-13,882
Net Income	-3,638	-32,687	-41,947
Vs. Plan	+545	-23,721	-6,562
YoY Change	+1,761	-10,365	-14,645



Amounts for Q3 Vs. Plan are in comparison with the revised plan.



Company Overview

- Company name: Titicaca Hong Kong Limited
- Shareholders: Village Vanguard Co., Ltd. (100%)
- Business: Import and sales of ethnic fashions and daily goods
- Headquarters: Room 1901, 19/F, Entrepot Centre, 117 How Ming Street,
Kwun Tong, Kowloon
- Representative: Hitoshi Kinami
- Founded: April 2012
- Capital: HK\$1,000,000 (approx. 10,000,000 yen)
- No. of stores: 2 directly managed stores
- No. of employees: 8 full-time employees

TITICACA HONG KONG LIMITED



Results

Inside Store

(Thousand Yen)

	FY05/13 Results		
	Q1	Q2	Q3
Net Sales	3,775	18,249	55,540
Vs. Plan	+1,775	+10,249	+25,290
GP	2,182	10,879	33,327
Vs. Plan	+904	+5,766	+14,778
OP	-4,005	-6,300	-205
Vs. Plan	+1,883	+3,435	+6,170
RP	-4,023	-6,446	-510
Vs. Plan	+1,865	+3,289	+6,011
Net Income	-4,023	-6,446	-510
Vs. Plan	+1,865	+3,289	+6,011

▼ Hong Kong Causeway Bay
WTC



▼ Hong Kong TSIM SHA
TSUI Silvercord



Amounts for Q3 Vs. Plan are in comparison with the revised plan.

Company Overview

- Company name: Village Vanguard (Taiwan) Limited
- Shareholders: Village Vanguard Co., Ltd. (100%)
- Business: Retail sales exhibiting a fusion of books, SPICE (variety goods) and new media (CDs, DVDs, others) based on the idea of a “bookstore where you can play”
- Headquarters: B2, No. 789, Zhōnghuá 5th Rd, Cianjhen District, Kaohsiung City, Taiwan 806
- Representative: Atsunori Shirakawa
- Founded: May 2012
- Capital: 25,000,000 TWD (approx. 70,000,000 yen)
- No. of stores: 1 directly managed store
- No. of employees: 2 full-time employees
5 part-time employees



Store manager Tateyama (right),
Assistant store manager Tata (left)

Results

(Thousand Yen)	FY05/13 Results		
	Q1	Q2	Q3
Sales	2,474	8,044	16,045
Vs. Plan	-1,025	-235	-3,498
GP	878	-241	117
Vs. Plan	-591	-677	-2,302
OP	-10,535	-20,076	-28,646
Vs. Plan	-682	-5,969	-5,931
RP	-10,533	-20,074	-28,635
Vs. Plan	-679	-5,966	-5,922
Net Income	-10,533	-20,074	-28,635
Vs. Plan	-679	-5,966	-5,922

Inside Store



Dream Mall in Kaohsiung, Taiwan

Amounts for Q3 Vs. Plan are in comparison with the revised plan.

